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Absolute Engagement founder Julie Littlechild

TECHNOLOGY

Absolute Engagement Tech Tracks Client Confidence and Concerns

Julie Littlechild's practice management consultancy's recently launched 'Engagement Engine' wants to drag the client survey into the digital age.

Rob Burgess | Apr 18, 2023

For years, financial advisory firms have relied on client advisory boards and annual surveys to gather feedback on how clients feel about working with their advisors and on the confidence in, or anxiety around, the financial plans they've built.

The infrequent feedback might work as a snapshot in time, but client viewpoints aren't static. Sentiments change, sometimes in a matter of days, depending on the markets, the economy or their personal lives.

"If you wanted to understand how clients are feeling about their future, well, I could send a survey and that data could be old by next week," said Julie Littlechild, the founder of practice management consultancy Absolute Engagement, which helps advisors find ways to more meaningfully understand and engage with their clients. The survey still has its uses, she said, but the data's expedited expiration date is a substantial limitation.

For the past few years, Littlechild's team has been working to drag the old-school client feedback loop into the digital age. The firm recently launched Engagement Engine, a digital dashboard that tucks a small number of client prompts and queries alongside the usual interactions—onboarding, scheduling meetings and delivering documents, for example.

The small number of questions are meant to not overwhelm the client, but in aggregate arm the advisor with a real-time and trackable feedback loop of concerns and confidence. Having that information can help the advisor prepare the right communication strategy for a client, spot red flags and, importantly, better understand how the viewpoints may differ between the primary client and the spouse.

Absolute Engagement is one of several companies digitizing the “softer side” of client sentiment and engagement, like Bento Engine, which automatically pings clients at preselected intervals tied to life events, and Hubly, which uses data in an advisor's CRM to automate workflows based on the clients' situations.

They all take a different approach, said William Trout, director of wealth management at Javelin Strategy & Research, but are rooted in the need for financial advisors to reach a granular understanding of their clients' unique needs.

“We have entered the age of personalization, in which consumers expect that solutions be crafted to the particularities of their personal situation. These extend from portfolio management, which direct indexing and other vehicles for customization can address, to financial planning and sensitive topics like health and wellness,” said Trout. “These platforms are designed to enable advisors to identify opportunities to provide clients with advice and do so in a scalable and cost-effective manner. While each platform serves advisors in a slightly different way, common to each is the presence of a centralized interface for the capture and operationalization of insights.”

To help better understand how advisors approach client engagement, Littlechild has assembled an advisory board with deep ties into RIAs and planning firms, including, most recently, Matt Brinker, a long-time United Capital executive and currently managing partner at Merchant Investment Management. He joins others like Brian Portnoy, a psychologist focused on behavioral finance and the co-founder of Shaping Wealth, a firm that also seeks to help advisors better communicate with clients, and David Patchen, who oversees training and practice management for Raymond James Advisors.

Elizabeth Kigin, chief growth officer at Absolute Engagement, said the company views client needs and emotions as unique data points, ones that

can differ between spouses, change with the markets and evolve over life events. When advisors fail to spot and respond to these mental states, the client relationship can stagnate, advisors miss opportunities to add value and sometimes proceed with planning based on wrong assumptions.

By keeping a regular “check-in” with clients through queries and prompts, advisors may spot red flags and could respond to concerns in real time, “but also capture that data over time so you can then reflect back to your clients how things have changed, how (the advisor has) led them through that journey and articulate the value of that,” she said.

The Engagement Engine framework is built on different modules, including Lead Connect, Prospect Connect, New Client Connect and Client Connect.

Lead Connect is the entry point and helps the prospect identify goals and measure their confidence in reaching them.

Potential clients can also invite their spouses or partners to answer the series of questions.

“We believe the best foot forward is actually getting to that emotional, personal state as soon as possible so that you can really represent your brand relative to what they need, rather than simply collect AUM and demographic data” which traditionally defines how an advisor approaches a prospect, said Kigin.

Questions look to rate prospects' confidence on reaching financial goals and the control they feel over their financial security. Clients are asked to rate their concerns about things like market volatility, elder care and their children's financial responsibility. This generates a “Confidence Index,” which is then measured against the spouse's responses to spot differences, and a “Concern Index” to benchmark fears and pessimism.

As clients are onboarded and schedule meetings with their advisor, the prompts and queries continue with the hope of monitoring the confidence and concerns to inform the discussions and agendas.

On the advisor’s side, all the data is collected in an internal profile of the client. The Engine is connected to Calendly to schedule meetings and collect feedback.

Littlechild says future iterations of the Engagement Engine may tap into other parts of an advisor's tech stack. The CRM of course, but there are potential applications for risk profiling and portfolio management as well. Much will depend on guidance from the first wave of advisors signing up to use the engine.

Joe Martin, the chief client experience officer at \$2 billion AUM RIA Summitry, said while his firm has been a client of Absolute Engagement for a long time, "what we were missing was a way to use client input in real time" to inform the client reviews with more relevant information. Having that data now, he hopes, will create more efficient and informed client reviews and meetings, stronger engagements and, ideally, referrals.